



## Idaho Public Utilities Commission

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C.L. Butch Otter, Governor

Paul Kjellander, Commissioner  
Mack A. Redford, Commissioner  
Marsha H. Smith, Commissioner

Case No. AVU-E-14-07 and AVU-G-14-02, Order No. 33126

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# Avista expenses determined prudent by state; utility exceeds its electric, gas conservation goals

**BOISE (Jan. 30, 2015)** – The Idaho Public Utilities Commission has determined that \$7.7 million Avista Utilities spent on electric and natural gas efficiency programs during 2013 was prudently incurred.

Money spent on electric and gas conservation programs must be shown to be prudently incurred in order to be funded by the Energy Efficiency Rider paid by Avista’s customers. Residential customers currently pay 0.245 cents per kilowatt-hour for the programs. The commission’s prudence review does not impact rates.

All three of Idaho’s major investor-owned utilities have “efficiency riders” that pay for programs to incent either the efficient use of electricity or reduce demand on a utility’s generation system. The programs must pass multiple cost efficiency tests that demonstrate that the savings realized are greater than the programs’ costs. Further, the programs must benefit all customers, not just those who participate in them.

Avista claims its energy efficiency savings for 2013 were 25,899 megawatt-hours, well over its target of 19,009 MWh. Reduced demand on its system is 122 average megawatts. Company-sponsored conservation is reducing retail loads by 10.6%, Avista claims. This is the fourth consecutive year Avista exceeded its Conservation Potential Assessment for electric savings. Its gas savings are 51,722 terms.

Commission staff conducted a review of Avista’s programs and expenditures.

The commission commended Avista for exceeding its goals. “The commission urges the company to continue this favorable trend and even improve upon its commitment to the implementation of cost-effective demand-side management programs,” the commission said.

About 64% of the \$7.63 million Avista spent on electric and gas conservation programs was paid out to customers in direct benefits, primarily for installation of electric or gas efficient appliances. Some of the energy efficiency programs include installation of high-efficiency heat pumps, ductless heat pumps and water heaters; ceiling, attic and floor insulation; compact-fluorescent lighting exchange programs, refrigerator and freezer recycling, home energy audits and low-income weatherization assistance.

Avista contracted with a third-party, Cadmus, to evaluate, measure and verify the utility's conservation programs.

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